

DESIGNATION OF AREA FOR OVER-THE-COUNTER SAND AND GRAVEL SALES (PRED 671)
APPROVAL (CONTINUED)

Only those lands previously impacted by well development will be utilized for this purpose; specifically the following well sites:

Jack Canyon Unit State 14-32 Well and State 8-2 Well.

Prickly Pear Unit State 6-2 Well and State 8-2 Well.

Prickly Pear Unit State 13-36, 8-36, 36-06, 2-36, 4-36, 10-36, 12-36, and 14-36 proposed Wells.

Upon recommendation of Mr. Tom Faddies, the Director approved the above-referenced lands as being designated for over-the-counter sand and gravel sales pursuant to R850-23-1400.

✓ **CANCELLATION OF MINERAL MATERIALS PERMIT ML 49384-MP (SCH)** - 5/003/068

Mineral Materials Permit ML 49384-MP for quartzite building stone was approved on the Director's Minutes of June 25, 2004, with a special stipulation that the applicant must agree to assume reclamation responsibility for unreclaimed mining disturbances on the lands and must complete the reclamation of said mining disturbances in conjunction with the permit. The lands covered by the permit are encumbered by mining disturbances that were previously inflicted under cancelled Trust Lands' Mineral Leases ML 44911-BSLS and ML 45410-BSLS. The Trust Lands Administration has been working with the lessee of the cancelled mineral leases and the lessee's surety bonding agent over the past four years to try and resolve the outstanding reclamation obligation. The applicant under ML 49384-MP was advised of the reclamation dispute when he made an inquiry regarding these lands and he expressed a desire to assume the outstanding reclamation obligation on condition of receiving a Mineral Materials Permit. Subsequently, ML 49384-MP was duly executed and became effective on July 1, 2004. The permit explicitly contains special stipulations that: 1) the applicant must obtain a surface entry and land use permit from the non-trust owner of the surface estate; and, 2) the applicant must assume reclamation responsibility for the unreclaimed mining disturbances on the lands and complete the reclamation of said mining disturbances in conjunction with the permit. In paragraph #12 of the permit, the permittee agreed to furnish a bond for performance and reclamation in such form and amount as the permitter may request. On March 10, 2005, the Trust Lands Administration sent a letter to the permittee by U.S. Postal Mail, certified return receipt requested, requesting that the permittee furnish a performance and reclamation bond in the amount of \$5,000.00. The permittee received the letter and called Mr. Blake to discuss the matter. At that time, the permittee told Mr. Blake that he had been unsuccessful in obtaining a surface entry and use agreement and he, therefore, declined to post the requested performance and reclamation bond. A notice of permittee's default of the terms and conditions of ML 49384-MP was mailed on April 15, 2005, by U.S. Postal Mail, certified return receipt requested, but was returned to the permitter. These lands should no longer be encumbered by the rights granted under ML 49384-MP and the permit should be cancelled for permittee's breach of paragraph #12 of the terms and conditions.

Upon recommendation of Mr. Blake, the Director cancelled ML 49384-MP.

EXPIRATION OF ML 49304-MP (SCH)

The above-numbered permit for building stone was approved by the Director on April 9, 2004, for a one-year term commencing May 1, 2004, and expiring April 30, 2005. The permittee, Allen Feller, 708 East 1100 South, St. George, UT 84790, has conducted no operations upon the lands within the permit. The permit expired on April 30, 2005, and the permittee no longer has any rights relevant to the permit.

This item is submitted by Mr. Blake for record-keeping purposes only.

Revised January, 2001

PROOFREAD BP EB

MINERAL COMMODITY MATERIALS PERMIT NO. ML 49384-MP

MINERALS PERMIT APPLICATION NO. ML 49384-MP

FUND: SCH

**THE STATE OF UTAH
SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION
MINERAL COMMODITY MATERIALS PERMIT**

In consideration of the rentals and materials purchases to be paid and the covenants to be kept and performed, the School and Institutional Trust Lands Administration, hereinafter referred to as "Permitter," does hereby permit unto:

**SAWTOOTH STONE, LLC
P.O. BOX 49
2104 S. 100 E.
OAKLEY, ID 83346**

hereinafter referred to as "Permittee," the right to come onto the following described lands situated in BOX ELDER County, State of Utah:

T11N, R16W, SLB&M.
SEC. 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$

containing 120.00 acres, more or less, (the permitted property) for the purposes described below.

This permit shall remain in effect, unless sooner terminated as herein provided, for a term of Three Years, beginning July 1, 2004 and expiring June 30, 2007, unless terminated earlier in conformance with this permit.

This permit is granted subject to the following terms and conditions:

1. Term. This permit will terminate at the end of the term stated hereinabove unless extended at the sole discretion of the Permitter at the end of said term. Permittee may reject any such extension of the permit by failing to timely submit the required annual rental payment.

2. Commodity. Permittee shall have the right to mine and remove the following described mineral commodity from the permitted property:

Quartzite Building Stone (The Mineral Commodity).

3. Rental; Royalties. Permittee shall pay the Permitter the following rental and royalties subject to the terms and conditions set forth below: